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ADVANCE NOTICE OF PROPOSED RULEMAKING

49 CFR Parts 554, 573 and 576

Docket No. NHTSA 2001-8677; Notice 1 - 18

RIN 2127-A125

Standards Enforcement and Defect Investigation; Defect and Noncompliance Reports; Record Retention

To Whom It May Concern:

International Truck and Engine Corporation, a leading manufacturer of medium and heavy duty trucks, school buses and diesel engines, is pleased to have the opportunity to submit the attached comments in response to the ANPRM concerning NHTSA's implementation of the early warning reporting requirements of the Transportation Recall Enhancement Accountability and Documentation Act ("TREAD Act").

As NHTSA is aware, the Final Rule could potentially cause drastic changes in motor vehicle reporting requirements. Since it appears that the current reporting system has generally worked well, International suggests that any changes made should enhance, not replace, the current reporting system.

To insure that the Final Rule will indeed result in safety benefits to the public, International encourages NHTSA to have ongoing communication with the industry throughout the rulemaking process. Similarly, as NHTSA has suggested, once the Final Rule is issued, it should be periodically reviewed to make certain that the changes are meeting their intended purpose of providing an "early warning" that leads to improved highway safety.

While International certainly supports augmenting current reporting requirements, it urges NHTSA to remain sensitive to legitimate industry concerns regarding access to confidential and proprietary information (whether it is in the hands of the manufacturer or NHTSA), as well as the burdens of collecting voluminous information. The Final Rule should result in an early warning system that improves safety without unnecessary detriment to manufacturers and/or overburdening NHTSA with too much information.

Sincerely,


Richard Kempf
Manager of Technical Legislation

Attachments

**INTERNATIONAL TRUCK AND ENGINE CORPORATION'S RESPONSES
TO QUESTIONS RAISED IN THE ANPRM, DOCKET NO. NHTSA 2001-8677; NOTICE 1
66 Fed. Reg. 6532 (January 22, 2001)**

Questions to be Answered (66 Fed. Reg. 6537)

A. Which of the manufacturers listed above should be covered by the final rule and why?

Vehicle manufacturers are the most likely entities to have relevant information that would be useful in identifying potential safety defects in motor vehicles. Component manufacturers are also likely to have relevant information, especially if a problem is encountered during the component manufacturing process and quality control checks. Registered Importers are unlikely to possess information that would assist an early warning process, and therefore subjecting such entities to the Rule's reporting requirements may not be appropriate.

Certainly, any original component manufacturer with information useful in identifying a potential safety defect should have to report to NHTSA and the vehicle manufacturer at the same time. If the suspect component is an aftermarket component, then the component manufacturer should be responsible for reporting directly to NHTSA.

B. Are there other entities that should be covered by the reporting requirements and why?

Any manufacturer that may have relevant information concerning a potential safety defect should be covered by the reporting requirements. See also responses to questions A and C.

C. Should any of the above manufacturers or other entities be covered by only some reporting requirements and not others?

Not knowing what the final reporting requirements might be, it is difficult to respond to this question. On the one hand, developing and successfully implementing different types of reporting requirements for different manufacturers would involve a large degree of complexity that may not yield the desired results; on the other hand, requiring all manufacturers to be covered by all reporting requirements may have the effect of inundating NHTSA with information that would hamper an early warning system.

D. With respect to manufacturers' international feedback mechanisms, to what extent is information provided in the English language? Are there delays in transmitting information?

International's field reports are translated before being reported to the export field service personnel. Warranty claims are translated at the dealer location before being forwarded to the warranty claims center. The fact that the translations must occur means that there is some delay in reporting. In Brazil, because warranty claims are processed and paid within that country, no translation is necessary.

E. What accessories could develop safety-related defects?

Almost any accessory or component can have a safety related defect given certain circumstances. However, it may be most beneficial to use the categories suggested by NHTSA in the ANPRM; fuel systems, brakes, suspensions and interior systems such as restraint systems, seats and instrument panels.

General Questions (66 Fed. Reg. 6540)

- 1. Which offices of manufacturers receive, classify, and evaluate warranty and claims data, and other data or information, related to deaths, serious injuries, and property damage involving a manufacturer's products that occur in the United States?***

Information relating to deaths, serious injuries and property damage is typically received at the Reliability Center at Fort Wayne, Indiana, and/or the Law Department in Chicago, Illinois. Personnel in the Reliability Center evaluate the information and then involve, as appropriate, engineers from the Technical Center, the Law Department, and all other necessary personnel who are needed to fully evaluate any potential safety defect.

As for the warranty information, that data is initially processed at the Warranty Claims Center in Oak Brook Terrace, Illinois. It is then available for review by the Reliability Center.

- 2. In what form is that data received and maintained? If it is maintained electronically, please describe the data base system in which it is kept.***

Non-warranty claims may be received via telephone, hard copy or electronically. They will typically be maintained in the form in which they were received (there may be written memos or electronic memos memorializing telephone conversations). The Law Department maintains an electronic database for potential claims and lawsuits, as well as actual claims and lawsuits. The Law Department database contains attorney work product, subject to legal privileges. In addition, there is a customer contact database, where summaries of customer complaints are maintained.

Warranty claims are submitted electronically or by hardcopy to the Warranty Claims Center and are archived in a database on our IBM OS/390 mainframe computer system in Brookfield, Wisconsin. The database is maintained and formatted using IBM's DB2 Database Management System.

- 3. Is the information referred to in question 1 otherwise classified (for example, warranty codes, lawsuits)? If so, how? By whom is such information evaluated?***

Warranty data is categorized by claims reviewers. Current categories include field campaigns, service contract, parts warranty, country where claim is made, and fleet versus dealer warranty. The information may be analyzed by a variety of personnel, such as engineers, lawyers, and business personnel (i.e., purchasing, dealer operations), for a variety of reasons. Some of these analyses involve sensitive business information and legal analysis relating to areas such as safety recalls, Authorized Field Changes, failure analysis, supplier recovery, dealer performance analysis, product improvement, after-market parts issues, warranty claim and cost reporting, warranty expense trend analysis, identification of top warranty issues, prior to delivery warranty monitoring, warranty by dealer locations, supplier warranty improvement monitoring, supplier performance evaluation, supplier selection, engineering design change monitoring, marketing, and defense of lawsuits, etc. Lawsuits and claims are categorized in many ways.

- 4. Do manufacturers in the United States (defined to include importers of vehicles or equipment for resale) currently receive warranty and claims data, and other data or information related to deaths, serious injuries, and property damage involving their products that occur outside the United States? If so, in what form are these data received?**

International receives, maintains and reviews such information in the same manner as identified in the Responses to Questions #1 and #2 above, with the exception that International's Brazil warranty claims and information are processed in Brazil and not forwarded to the U.S.

- 5. If a manufacturer in the United States does not receive, maintain, and evaluate such data or information referred to in paragraph 3 above, what entity does (e.g., foreign affiliate, factory-authorized importer, outside counsel, other third-party entity)? Do manufacturers require that entity to make periodic reports to it?**

Not applicable. See prior Response.

- 6. In what form is the foreign data or information received (e.g., electronically, e-mail, inter-company memo)? Is it maintained separately or is it combined with data about events occurring in the United States?**

Information relating to claims and lawsuits could be received, as with U.S. matters, by telephone, hard copy or electronically. Such information is not maintained separately. It is handled in the same manner as matters relating to claims and lawsuits in the U.S. See Response to Question 1 above.

As for warranty claims, foreign warranty claims are received by hardcopy or electronically. They are stored in the same database as U.S. warranty claims, but may be accessed as described in Response to Question 3 above (except those from Brazil, which are not sent to the U.S.).

- 7. What is the length of time that manufacturers maintain warranty data and claims data? Is this period different for data related to events occurring outside the United States?**

Non-warranty claims and lawsuit data is maintained for 5 years following resolution of the matter. The same period would apply for non-U.S. data received in the U.S. by the parent company. Warranty claims are kept for 5 years, including warranty claims for Canada and export vehicles.

- 8. Are U.S. dealers currently collecting and/or maintaining information relevant to early warning reporting? If so, what is this information, and to what extent is it furnished to the manufacturer?**

We are not aware of any formal system by which dealers collect and/or maintain information that would assist early reporting. Our experience has been that dealers report to the manufacturer if they become aware of any potential safety issues.

- 9. Should there be a cut off date for reporting (e.g., not require it regarding vehicles or equipment that are older than some specified age)? If so, what age or ages?**

International supports the establishment of a cut-off date for reporting, especially since this would reduce the flow of information that could impede a useful early warning system. International recommends that reporting requirements be limited to no more than 5 years from the date of manufacture. It is reasonable to assume that if no potential safety defect has arisen

in regard to a vehicle for that period of time, continuing to submit information to NHTSA would not enhance an early warning system.

- 10. *Is there additional information or data beyond that mentioned in this notice that manufacturers should report to NHTSA that would assist in the identification of defects related to motor vehicle safety? For example, assembly plant quality reports, dealer feedback summaries, test fleet summary reports, fleet experience. and rental car company reports.***

International is not aware of any additional information that would assist in identifying potential safety defects in motor vehicles.

Questions Relating to Claims (66 Fed. Reg. 3540)

- 1. *What is the appropriate definition of "claim?"***

In regard to heavy/medium trucks and buses, the most useful definition of a claim (other than warranty claims, which International considers to be dealer or customer submissions for reimbursement on parts and labor) would be (a) a written or oral report directed to the person or departments at a manufacturer who would normally receive such reports (i.e., customer service personnel, Law Department), (b) identifying a specific potential safety defect, and (c) for a specific vehicle.

- 2. *What information should be submitted (e.g. just the number of claims by make, model year and component or system, or more information, including summaries and names of complainants)?***

Submitting information about a claim where no potential safety defect has been identified with some degree of specificity would not be helpful to an early warning system. Once International receives a claim containing the information detailed in Response to Question 1 above, International could submit to NHTSA information identifying the componentry and the nature of the alleged defect. Once NHTSA received the information, it could request additional information if it felt that more detail was warranted.

- 3. *Should NHTSA only require the submission if claims are about problems with certain components? If so, which ones?***

See Response to General Question page 1, question E (66 Fed. Reg. 6537).

- 4. *Should information about all claims involving serious injuries or deaths be submitted, or should there be some threshold?***

The seriousness of an injury does not necessarily reflect the presence of a potential safety defect (i.e., a brake failure due to a safety defect that occurs as a vehicle approaches a stop sign at a deserted intersection at 3 a.m. may result in no injuries and little or no property damage, yet if the same failure occurred at noon at a crowded city intersection, there could be multiple deaths and injuries as well as significant property damage).

If, however, NHTSA believes it would be useful for it to have claims involving serious injury or death submitted, then all claims involving injury or death should be submitted. Defining what is or is not a "serious injury" will generally be a very subjective judgment that could vary widely from manufacturer to manufacturer. If all claims are submitted to NHTSA, then NHTSA could apply a consistent internal standard.

Questions Relating to Warranties (66 Fed. Reg. 6541)

- 1. Should warranty data be reported? If so, are there specific categories which should be included or excluded?**

The submission of warranty data would not increase the likelihood of an early warning of a potential safety defect. It has been International's experience that such information is not an effective means by which to anticipate or spot a potential safety defect; because a manufacturer usually identifies safety issues long before there is any indication of such problems in the warranty system.

Additional reasons why warranty information would not be useful include: (1) most warranty data includes claims for the replacement of parts and/or components whose failure is unrelated to vehicle safety (i.e., seats replaced for torn seams); (2) the sheer quantity of warranty data is so massive that information concerning potential safety defects is not easily discerned; (3) warranty claims are grouped generally by major component, and do not contain sufficient detail from which to determine whether there may be a safety defect; (4) there is a lag time between the completion of the warranty work, the processing of the warranty work for payment and the review of the submissions; and (5) International warranties typically cover the basic vehicle for a limited time (usually 1 year) with only certain components being warranted for a slightly longer period, and therefore information relating to failures that occur once the warranty period has expired will never be captured in the warranty database.

Although warranty records might prove useful once a specific investigation is underway, they are not a useful tool for determining when an investigation into an alleged safety defect should be initiated.

- 2. How do manufacturers maintain warranty data? How long is it kept? For what purposes is it kept? How do manufacturers review warranty data to identify possible safety concerns?**

See Responses to General Questions Nos. 1, 2, 3, 6 and 7.

- 3. What thresholds, if any, would be appropriate with respect to specific vehicle components, systems, and equipment items, below which warranty information would not have to be reported to NHTSA? Should there be different thresholds for different components or systems?**

Since International does not believe that the submission of warranty data would be useful, it cannot suggest an appropriate threshold.

- 4. Should thresholds be based solely on claims rates, or should there be some absolute number of claims that would trigger a reporting requirement?**

Given the wide variety of components on trucks and the various applications in which such trucks are used, International questions the usefulness of thresholds based on raw numbers, since such thresholds might be set too low or too high to accomplish the desired result. Perhaps the most useful threshold would be one based on a percentage of vehicles with the same components at issue, which were manufactured by the same entity.

5. What sorts of warranty information should be reported (e.g., make, model, model year, component)?

As previously stated in the Response to Question 1 above, International does not believe that reporting warranty information would assist NHTSA in early identification of potential safety defects.

6. Are there warranty codes common to the motor vehicle industry? Passenger car industry? Heavy truck industry? Motor home industry? Child seat industry? Etc.?

International uses its own custom warranty codes. It is not aware of codes that would be common to the other heavy/medium truck manufacturers.

7. Should we require warranty data to be submitted using standardized codes? If so, what level of standardization would be appropriate?

Standardization would be difficult and extremely costly because the current warranty systems have been established to meet the business purposes of the manufacturer. There is also a need to protect information that may be proprietary to each manufacturer. Also see Response to General Question 3 above.

8. In what form should we require warranty information to be submitted?

Until a decision is made generally that warranty information should be submitted, and specific information to be submitted is identified, International is unable to comment as to the best form for submission.

Questions Relating to Lawsuits (66 Fed. Reg. 6541)

1. What information should be provided about lawsuits?

In order to avoid subjective summary of lawsuits, manufacturers should provide NHTSA a copy of the complaint or petition filed. If NHTSA requires a summary report, the manufacturer's version of how the accident occurred might be unreliably subjective. Also, if manufacturers' lawyers prepare or review the summary information about a lawsuit, there may be an invasion of the attorney work product privilege.

International questions whether complaints are a good source for an early warning system because lawsuits are typically filed a year or more after an accident, complaints are often vague about the claimed defect, and plaintiffs may assert allegations without knowing whether investigation through discovery will bear them out.

2. Should information be provided about each lawsuit involving an alleged defect?

It would be least burdensome to simply provide NHTSA with a copy of every complaint or petition that International receives alleging one of its products is defective. See also Response to Question 1 above and Responses to Questions Relating to Claims, Nos. 3 and 4.

3. If not, what threshold would be appropriate? Should there be different thresholds based on the component or system involved?

See Responses to Questions 1 and 2 above.

Questions Relating to Design Changes (66 Fed. Reg. 6541)

1. ***Should information about design changes be provided? If so, should all changes be covered or just those relating to specified components or systems important to vehicle safety? If so, which components or systems?***

Information relating to design changes should not be provided. Simply because a part changes does not mean that a defect existed in an earlier version. The vast majority of design changes are made for reasons unrelated to safety: change of supplier, longer service life, cosmetic changes, new or improved functionality based on advances in technology, etc.

2. ***Should different considerations apply to prospective-only running changes than to changes to service parts?***

As stated in the Response to the previous question, establishing reporting requirements based on design changes would not be productive.

Questions Relating to Deaths and Serious Injuries (66 Fed. Reg. 6541)

1. ***What systems for characterizing the seriousness of injuries are used in countries other than the United States? How do they relate to the AIS system?***

We are not aware of injury scales used in other countries.

2. ***Are the AIS3 "serious" criteria appropriate as indicia of "serious injury"? If not, what criteria are appropriate?***

The AIS criteria appear to be too general and too subjective for the purposes of the TREAD Act. The AIS criteria are used in hospitals and are based on medical data. Manufacturers typically have no way in which to determine the severity of an injury other than relying upon what is reported by a claimant (or the claimant's attorney), or by taking discovery during litigation. Legally, manufacturers cannot obtain medical records outside of the formal discovery process. Moreover, if manufacturers need to review medical records to determine the seriousness of an injury, a large degree of subjectivity will be introduced.

3. ***How shall it be determined whether a claim pertaining to an injury pertains to a serious injury? What assumptions should be made? If an initial claim does not allege a "serious" injury, should the manufacturer be required to report the claim later if it learns that the injury was serious or alleged to be serious?***

Because allegations in claims and lawsuits are often vague and unsupported, it is often difficult to determine whether an injury is serious. While International does not object to reporting when it subsequently learns an injury is "serious" (however NHTSA defines that term), it does object to any interpretation of a continuous reporting duty to mean that it has an obligation to investigate the claim or lawsuit to learn the extent of injury if the claimant does not voluntarily provide the information to the manufacturer.

4. ***Would manufacturers find it less burdensome to report to NHTSA all allegations of injury caused by a product defect?***

Yes. This procedure would relieve manufacturers from the burden of determining which injuries meet the criteria of "serious injury," especially when information provided is often minimal and vague.

5. How and to which office of a manufacturer are deaths and serious injuries reported? Is the answer different with respect to incidents that occur in foreign countries?

See Responses to General Questions 1 through 7 (66 Fed. Reg. 6540).

Questions Relating to Property Damage (66 Fed. Reg. 6541)

1. What data should manufacturers include as "aggregate statistical data"?

The most useful data would be the number of claims involving a specific alleged safety defect in a specific component. The type or dollar value of property damage is not a good indicator for an early warning system. In some situations, an alleged safety defect could result in substantial property damage, while the identical safety defect in a different situation may result in little or no property damage.

2. What type of statistical data relating to property damage (including fire and corrosion) do manufacturers maintain? What corporate office is responsible for their maintenance? Is the answer different with respect to incidents and claims in foreign countries?

International does not compile statistical data as it relates to property damage claimed to be caused by its vehicles.

3. How is this data maintained by manufacturers? How is it used?

Not applicable. See previous Response.

4. How should this data be submitted to NHTSA to best provide an early warning of potential safety defects?

Not applicable. See Response to Question 2 above.

Questions on Internal Investigations (66 Fed. Reg. 6541)

1. Should a manufacturer be required to report information on active investigations that it has initiated with respect to potential defects in its vehicles or equipment? How, if at all, should it be determined that these are safety related? What is the extent to which this information should be reported?

Manufacturers should not be required to report information on all active investigations initiated with respect to potential defects.

In actuality, "internal investigation" is an amorphous term that can run the gamut from a single phone call to a lengthy, detailed inquiry. If an internal investigation reveals a safety defect, International reports it to NHTSA under current reporting requirements. International believes that determining whether an investigation itself is reportable and subsequently reporting it will improperly redirect resources from thorough investigation. Additionally, reporting an investigation will add to NHTSA's burden of reviewing information, when many investigations result in determinations of no further action necessary.

2. *What is an appropriate definition of an internal investigation that should be reported to NHTSA?*

The *results* of the investigation should be reported when a manufacturer determines a safety defect exists. See Response to Question 1 above.

3. *Should manufacturers be required to report such investigations as soon as they are commenced? If not, at what point should the investigation be reported to NHTSA?*

For the reasons stated in the Response to Question 1 above, we should not report internal investigations when they are commenced. Investigation results should be reported to NHTSA once we have determined that there is a safety defect in accordance with the Safety Act.

Questions on Customer Satisfaction Campaigns, etc. (66 Fed. Reg. 6541)

1. *Should "customer satisfaction campaigns," "consumer advisories," "recalls" or "other activities involving the repair of motor vehicles or motor vehicle equipment" be defined in NHTSA's regulation, and, if so, what would be an appropriate definition for each of these terms?*

It would not be helpful to define these terms because manufacturers are already required to submit on a monthly basis (apart from recalls) the information that this inquiry appears to concern under 49 C.F.R. 573.8. Submission of recall information is governed by Section 573.5.

2. *How many and what kind of customer satisfaction campaigns, consumer advisories, recalls, or other activity involving repairs have occurred since January 1, 1998, that were not required to be reported to NHTSA under 49 CFR 573.8? Indicate whether these occurred in the United States or foreign countries. Please submit a copy of all communications provided to consumers or dealers with respect to each such campaign, advisory, recall, or other activity.*

International assumes that the phrase "or other activity involving repairs" is not meant to include the kind of day-to-day repairs that involve warranty or post-warranty good will repairs.

Under current reporting requirements, International has reported all field campaigns since January 1, 1998, except as follows: International does occasionally repair components before failure for large fleets that buy many trucks or buses with identical specifications. These repairs are performed to improve customer good will after a fleet owner experiences a small number of component failures, and asks International to proactively repair the remainder of its fleet. If investigation of these fleet good will repairs indicates that a safety defect exists, or a field campaign is necessary, International reports these to NHTSA under current reporting requirements. There were no written communications provided by International to customers or dealers concerning these campaigns.

There have been no consumer advisories, as heavy/medium trucks and buses are not consumer goods.

Questions on Identical and "Substantially Similar" Motor Vehicles and Equipment (66 Fed. Reg. 6541).

1. *Is the word "identical" understood internationally, or do we need to define it? If so, how?*

The word "identical" means exactly the same. If NHTSA intends to use this term, it should be aware that although heavy/medium trucks and buses that are sold both in the U.S. and in foreign countries may use the same platform, they are rarely identical. As in the U.S., even trucks and buses of the same model will not be identical because of the wide variation of components available. To the extent the term "identical" may be of use, it should not be applied to vehicles, but should be limited to specific components manufactured by the same entity.

2. *How should a manufacturer determine if a vehicle sold in a foreign country is "substantially similar" to vehicles sold in the United States? Is it enough that the vehicles share the same platform and/or engine family? If not, why not?*

In the heavy/medium truck and bus markets, the fact that vehicles share the same platform and/or engine family is an insufficient basis upon which to declare the vehicles "substantially similar". "Substantially similar" means "the same component or component system."

3. *How should "substantially similar" motor vehicle equipment be defined? Would the definition be different with respect to individual parts, component parts, assemblies and systems? Other than tires and off-vehicle equipment (such as child seats), should the definition be restricted to replacement equipment for substantially similar motor vehicles?*

"Substantially similar" motor vehicle equipment is defined as specific components manufactured by the same entity. The definition would not be different with respect to individual parts. The definition should not be restricted to replacement equipment for substantially similar motor vehicles.

Questions on Field Reports (66 Fed. Reg. 6541)

1. *What is an appropriate definition for "field report"?*

International uses the term "field service report" in its business to refer to reports made by company field service personnel who transmit information or concerns about a product to a regional office or the Reliability Center.

2. *In the context of field reports for which information is to be provided, should there be a list of systems, parts, and components that are safety related? Should it be the same as the list for warranty claims and other claims?*

See Response to General Question page 1, question E (66 Fed. Reg. 6537).

Any system or component reporting categories should be consistent throughout the rule.

3. *Do manufacturers screen field reports for safety-related information? If so, what are their systems and how do they work?*

The office receiving the report determines if a possible defect may exist, then forwards the information to the proper internal organization for analysis and possible investigation.

4. How do manufacturers process and maintain field reports? Is all information entered into computers?

Currently, field reports are submitted electronically and routed electronically within the company (e.g., to the Technical Center and/or the Reliability Center) for appropriate handling. Previously, such information could have been handwritten or typed and submitted via fax machine; they would not have been electronically maintained.

5. What information regarding field reports should be provided NHTSA? Should there be a numerical or rate threshold before field reports must be provided?

International believes that the most efficient way for NHTSA to use field reports would be to request submission of relevant reports once a NHTSA initiated investigation is under way. For reasons previously stated, setting an artificial numerical or rate threshold would not appear to be helpful to an early warning system.

Questions Relating to Reporting Frequency (66 Fed. Reg. 6542)

1. Should reporting frequency vary depending on the type of information (e.g., deaths, injuries, warranty rates, complaints, etc.)? If so, what is an appropriate frequency for each type?

Without knowing exactly what is to be reported, it is difficult to respond to this question. Generally, we believe that the current reporting system, whereby recall situations are reported within 5 business days and the non-recall information required under 49 CFR 573.8 is submitted monthly, has been effective.

To the extent that NHTSA determines that additional information should be submitted on a regular basis, however, International suggests that if possible such periods not vary. Requiring different reporting periods could introduce unnecessary complexity into the reporting requirements.

2. Should reporting frequency vary depending on the type of vehicle or equipment (e.g., passenger car, bus, child seats or other equipment)? If so, what is an appropriate frequency for each type?

Reporting frequency should not vary based on the type of vehicle or equipment, particularly with regard to heavy/medium trucks. Since International and other heavy/medium truck manufacturers typically are not the end-stage manufacturers, and there are any number of ways in which such vehicles can be completed (usually without the manufacturers' knowledge), the type of vehicle and/or equipment would not be an appropriate measure for determining the frequency of reporting.

3. Should reporting frequency vary depending upon the component or system involved (e.g., air bag, child restraint, seat belt assemblies, brakes)? If so, what is an appropriate frequency for each?

Reporting frequency should not vary depending upon the component or system, because, as previously stated, any component or system has the potential to contain a safety defect.

4. Should manufacturers of particular equipment, such as off-vehicle and accessory equipment, be required to report data on a periodic basis, or only if they receive certain information such as claims alleging deaths or serious injuries involving their products?

International does not manufacture off-vehicle or accessory equipment, and has no comment.

Questions Relating to Reporting Method (66 Fed. Reg. 6543)

1. ***How would manufacturers prefer to report information to us (e.g., hard copy, electronically)? If both, what would be in hard copy? What would be in electronic format? Which electronic format(s) would be preferable?***

As a general matter, it would be easier - and more accurate - for reporting to be done "format to format" (if the information is received by the manufacturer in hardcopy form, that is how it would be passed along to NHTSA; similarly, information received electronically would be forwarded to NHTSA electronically).

International cannot otherwise appropriately respond to this question without knowing exactly what information it will be required to submit to NHTSA.

2. ***Should information regarding deaths and serious injuries be submitted in the form in which it is received by the manufacturer, the form in which it is entered into a database by the manufacturer, or in some other way?***

It would be most advantageous to submit information regarding deaths and serious injuries in the form in which the manufacturer receives it. That way, NHTSA would avoid potential problems inherent in any reconstitution of the information. Moreover, the form in which the information is entered into a database may draw into question legal privileges, such as the attorney work product privilege.

Questions Relating to the Possible Use of a Spreadsheet for Reporting Aggregate Information (66 Fed. Reg. 6543).

1. ***What do manufacturers understand the term "aggregate statistical information" to mean?***

International understands "aggregate statistical information" to refer to some type of summary of numerical data.

2. ***Is aggregate statistical information regarding claims, deaths and injuries likely to be useful in identifying potential safety-related defects? Would it be too general to be useful?***

Without knowing the specifics of what aggregate statistical data NHTSA might require, International believes that such information regarding claims, deaths and injuries would most likely be too general to be useful in identifying potential safety hazards.

3. ***Would this type of aggregate statistical information tend to result in a large number of investigations into issues that are not related to potential safety-related defects?***

Information regarding claims, deaths and injuries is not in and of itself reliably indicative of potential safety defects. Therefore, aggregate statistical information relating to claims, deaths and injuries could certainly result in too many investigations into issues that are not safety related. Such investigations would have the unfortunate result of detracting from, not enhancing, an early warning system.

4. *Would the submission of supplemental information beyond the aggregate statistical information be necessary or appropriate to provide NHTSA with sufficient information upon which to decide to open an investigation? What types of such information?*

As stated in the Response to Question 2 above, International believes that aggregate statistical information will be too general, and therefore, additional information will be required in virtually every instance. Without knowing exactly what the aggregate statistical information will be composed of, it is difficult to comment at this time as to what that additional information should be.

5. *If NHTSA needs to submit requests for supplemental information, should the requests be made as part of an investigation? If not, why not? If not, how should NHTSA characterize these requests, and should the requests and responses be made available to the public?*

The preferred manner for providing such information would be to have NHTSA continue its practice of submitting requests for supplemental information as part of an investigation.. This would prevent NHTSA from being flooded with information that is not related to early warning of a potential safety defect. International has no reason to believe that NHTSA's current procedure regarding investigations has not been effective, and therefore NHTSA should carefully consider whether any change to the procedure would enhance safety.

Questions Relating to NHTSA's Utilization of Information Reported (66 Fed. Reg. 6543)

1. *How should NHTSA review and utilize the information to be submitted under the early warning rule?*

NHTSA should use the information to determine if, when, and what type of investigation should be initiated.

2. *What system or processes should NHTSA utilize in reviewing this information?*

Because the submission of too much data to NHTSA could overwhelm the agency and thereby thwart the purpose of the TREAD Act, it is important that NHTSA carefully evaluate exactly what data it needs in order to successfully create an early warning system for safety defects.

Then, when appropriate data is submitted, NHTSA should identify potential safety defects that merit further investigation. NHTSA should identify the areas in which to open investigations, and determine in what order, and how quickly, each investigation should proceed.

Questions Relating to Burdens Versus Benefits (66 Fed. Reg. 6544)

1. *What are the estimated startup and ongoing costs (including financial as well as manpower costs) of complying with the early warning reporting requirements discussed in this notice? What is the basis for the estimate?*

As NHTSA recognizes, it is difficult at this stage to anticipate financial and manpower costs of implementing the early warning reporting requirements. If NHTSA were to require full reporting of all the categories mentioned in this Advance Notice, such as requiring manufacturers to summarize lawsuits, investigate the status of a claimant's injuries, report on different matters at different times, require aggregate statistical data that is not now kept, and/or have any requirements that would result in manufacturers having to invest in new computer equipment (hardware) and/or expensive computer programs, the cost in terms of both dollars and manpower would be huge.

On the other hand, if NHTSA determines that the current reporting system has been effective and perhaps needs only minimal additional reporting, such as the submission of complaints or lawsuits in the same format in which they are received, then the burden would be far more incidental.

- 2. *How should NHTSA decide whether particular requirements are "unduly" burdensome? Should we balance the burdens against the anticipated benefits of receiving the information in question? If so, how should we perform that balancing?***

At some point, the burdens are so high and the resulting benefits so minimal that a line must be drawn. Since the scope of the requirements for early reporting are so undecided at this time, International recommends that NHTSA maintain a regular dialogue with the industry as it formulates the Rule, so that the end result is an effective early warning system that does not negatively impact the industry in its efforts to design and build safe vehicles.

- 3. *What is the most effective early warning information and least burdensome ways of providing it?***

With a few recent exceptions, to International's knowledge, the current reporting system has been effective in providing early warnings of a safety defect. Since suppliers might have the first warning of a problem, especially if it is related to production, they should be required to report to the manufacturers that are affected at the same time they make a report to NHTSA. See Response to Question A above, under Questions to be Answered (66 Fed. Reg. 6537).

In regard to additional information that should be provided to NHTSA, International believes that it is the quality of the information and the usefulness of that information in providing an early warning that should be the focus of the rulemaking. In that regard, NHTSA and the industry should keep an open dialogue and work together to find ways to enhance early reporting without compromising the integrity of the reporting process by losing critical information in an avalanche of data.

- 4. *Have manufacturers developed or are manufacturers beginning to develop and implement their own early warning reporting procedures in advance of NHTSA's rulemaking?***

International believes that its current processes have been highly effective in alerting the company at an early stage that there may be a potential safety defect.

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